UNITED
NATIONS

E

Economic and Social
Council

CES/818
14 March 1994

Original: ENGLISH

STATISTICAL COMMISSION and ECONOMIC COMMISSION FOR EUROPE

CONFERENCE OF EUROPEAN STATISTICIANS

Forty-second plenary session
(Paris, 13-17 June 1994)

A MINIMUM PROGRAMME OF PRIORITY STATISTICS FOR COUNTRIES IN TRANSITION

Prepared by the Bureau of the Conference

The purpose of this paper

1. Countries in the initial stage of transition receive conflicting advice on which statistics should be given priority. The purpose of this brief paper is to propose a short list of priority subjects upon which there is general agreement. The programmes described do not cover any of the activities deemed essential to maintain and improve infra-structure (e.g., staff training), but rather refer to statistics which are possible to produce quite quickly. The purpose of this paper is much more limited. It has been drafted by the secretariat on the basis of detailed contributions and discussion of the Bureau of the Conference.

2. The statistics referred to here are intended to be the minimum types of statistics which governments should produce. Moreover, they are those which may be expected to be produced at an acceptable level of quality, even in the short run.

Ethical principles

3. In order to fulfil their purposes, statistics must be collected, analyzed and disseminated according to certain principles of ethics and professional competence. The Conference of European Statisticians has agreed upon such principles. They are the "Fundamental Principles of Official Statistics" which have been approved by the Economic Commission for Europe and are being submitted to the United Nations Statistical Commission. The "Principles" are reproduced in a separate paper to be discussed at the 1994 Plenary Session of the Conference.

The needs of users

4. In drawing up the short list, the Bureau has in mind primarily the major policy makers within the country, but also the community at large, in the case of those statistics which any government must publish to demonstrate its accountability (e.g., the CPI).

Data quality

5. For each statistical series listed, the quality of the statistical estimates should be adequate for their main purpose. Scarce resources should not be spent in quality improvements that exceed the uses to which the statistics will be put.

Setting priorities for statistics in any country

6. When considering priorities in established national statistical offices of market economies, it is necessary to differentiate between basic priorities and priorities of current concern. The Bureau takes the view that the same basic priorities are relevant to all statistical offices whether in transition or not. Where there may be a different emphasis for countries in transition or newly independent states, they are noted below. In the Bureau's view, sustained and highest priority attention is merited by the subjects identified in point 6 below as "basic priorities". While other current concerns may also need attention, the basic priorities are seen as being essential to ensure the viability and the long-term survival of a national statistical system.

Priorities for transition countries

a, Measure of aggregate economic activity

7. The SNA is not included in the list below. The SNA consists of a complex and wide-ranging system of macro-economic accounts that can only be fully implemented by countries that have reliable data covering in detail the activities of households, government, enterprises and non-profit institutions as well as transactions with the rest of the world. Most transition economies will only be able to compile a small number of the accounts of the system within the foreseeable future and it would be unrealistic to expect them to do otherwise. However, its is advisable that they develop their capacity to estimate the main aggregates of the system; specifically value-added and final expenditures in the domestic economy at current and constant prices. These aggregates, compiled in accordance with SNA definitions, are an essential requirement for economic policy debate both within national administrations and with international agencies. The basic statistics required to estimate these aggregates are listed under "basic priorities": As a long-term aim, all transition economies will need to build up the capacity to generate all of the main aggregates on a regular annual basis.

b) Social and demographic statistics

8. The priority list given below is of essential economic and microeconomic data but a wide range of social and demographic data (population, migration, health,

education, housing, safety, etc.) is also required in order to shed light on social policies as well as to see the effects of, and need for, economic policies. Countries in transition have a wide range of administrative data in these areas in much the same ways as other countries do, and they share the same problem in that they do not have generally accepted ways of measuring output nor frameworks which allow interrelationships to be recognized. Nevertheless, the further development of social and demographic statistics might be postponed if that is what the urgent development of the basic priorities implies.

c) The framework

9. All the major economic aggregates should be developed according to SNA principles wherever possible so that they are consistent as well as being capable of use as components of the system at a later stage. Similarly, it is important that internationally agreed standards, for example in the measurement of unemployment, be used from the outset in all official statistics.

d) Essential statistical facilities or tools (including business registers)

10. In the expectation that sampling will become increasingly important in the collection processes of countries in transition, it will become necessary to have a list of the enterprises which are to be sampled. Many transition countries have a particular problem in this respect because of the rapid increase in the number of small unregistered enterprises and the rapid rate of "births and deaths" of such enterprises.

11. In all economies there are lists which are already available for administrative purposes such as taxation. These should be exploited for statistical purposes and, where new registers are being constructed for administrative purposes, statisticians should try to ensure that their needs are also taken into account. However, it takes a long time and many resources to establish viable registers of businesses for statistical purposes. In the meantime, other kinds of lists for making urgent progress on the basic priorities, as for example, area sampling, need to be in place.

12. Household surveys are essential for measuring employment and unemployment, and they also provide the weights for consumer price indices, and income data needed for national accounts. Virtually all transition countries already have such surveys but they are often confined to particular socio-economic groups. They need to be expanded to provide national coverage.

e) Privatization

13. The process of transition to a market economy is principally characterized by a shift from state to private ownership and control of the means of production. To monitor the progress of privatization, statistics related to the "basic priorities" should be collected and published in such a way as to distinguish separately between the contributions of the state and the private sectors.

f) List of "basic short-term priorities"

1. Public finance, money and banking and balance of payments.

These data constitute essential inputs for macro-economic analyses and policy making, and provide the basis for decisions on monetary, fiscal, exchange rate, and other external economic policies. Government expenditure is a high proportion of expenditure in all economies and particularly in economies in transition.

2. Prices

Estimates of changes in aggregate consumer prices and in selected prices of basic materials and semi-manufactured goods are required monthly, especially during periods of high inflation which many countries in transition are experiencing.

3. Household income and consumption, employment and unemployment

These data are essential in all economies and are critical in countries in transition where the process of adjustment has a radical impact on, for example, income and employment in the various sectors. Household expenditures provide the weights for the consumer price index. Generally, they can represent as much as two-thirds of the total national expenditure.

4. Foreign trade

These data are usually derived from customs administration and are available in great detail. Where such data are not available but trade is still conducted by a handful of authorized enterprises, information may be obtained from the latter.

5. Industrial statistics, including the agricultural industry

Separate estimates for the outputs of agriculture, mining, manufacturing and public activities are required. These estimates which can be shown as indices are important guides to changes in aggregate economic activity. It is important that estimates of output be produced for the large state-owned enterprises and that mining, manufacturing, electrical and water plants be tracked for the foreseeable future. In agriculture a combination of list sampling (for the largest producers) and area sampling (for all others) might represent a good approach.

6. Retail sales

A combination of a list of the largest enterprises with an area frame to provide the basis for an estimate of the contribution of all businesses engaged in retail represents an approach that can quickly become operational. Data should be collected promptly and frequently. In transition economies retail outlets are among the

enterprises which are increasing in number and outputs very rapidly. Their sales are the most current basis to estimate private consumption. Measuring these sales represents a particularly high priority.

14. It should be emphasized that the above short list concerns relatively short-term priorities, taking little account of the need to build a viable infrastructure in a national statistical service. Neither does the list address the question of priorities within each domain, nor does it indicate the classifications that should be considered, nor the frequency of data collection and publication, nor the quality required. Discussion of these important details would require a much longer paper and considerable further study. However, it is hoped that by listing a small number of priority statistics, together with the foregoing discussion, the Conference is able to make a substantive contribution to priority setting in the statistical services of countries in transition.